

## Message Text

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64

ORIGIN EB-11

INFO OCT-01 IO-13 ADP-00 TRSE-00 AF-10 ARA-16 EA-11 EUR-25

NEA-10 RSC-01 OMB-01 TAR-02 AGR-20 AID-20 CIAE-00

COME-00 INR-10 LAB-06 NSAE-00 OIC-04 SIL-01 STR-08

CIEP-02 CEA-02 SS-15 NSC-10 L-03 PA-03 PRS-01 USIA-15

/221 R

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8/3/73 EXT. 20820

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EB/IFD/OMA:JKRIZAY

TREASURY:BNEWMAN

IO/CMD:MGREENE

IO/CMD:AYODER

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R 032155Z AUG 73

FM SECSTATE WASHDC

TO USMISSION GENEVA

INFO USMISSION USUN NEW YORK

UNCLAS STATE 135519

E.O. 11652: N/A

TAGS: ECOSOC

SUBJECT: 55TH ECOSOC: ITEM 3 - CHILE RESOLUTION

REF: GENEVA 4072

1. FOLLOWING ARE BRIEF SUBSTANTIVE COMMENTS AS REQUESTED  
ON VERSION OF CHILE DRAFT RESOLUTION 1561 (REFTEL).

2. RESOLUTION IS STILL UNDULY ALARMIST ON CURRENT MONETARY  
SITUATION. PRESENT SITUATION DOES NOT WARRANT TERM  
"CRISIS"; INDEED, BROAD AGREEMENT EXISTS THAT ARRANGEMENTS  
ARE A VIABLE INTERIM SOLUTION DURING PERIOD OF NEGOTIATIONS  
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AND TRANSITION TO REFORM SYSTEM. IN REFERRING TO DELAY IN

CORRECTING SITUATION, RESOLUTION IGNORES CONSTRUCTIVE ONGOING WORK IN C-20 TOWARD AGREEMENT ON MONETARY REFORM.

3. PARA 2 OF DRAFT RESOLUTION FAILS TO RECOGNIZE THAT PROGRESS TOWARD REDUCING PAYMENTS IMBALANCES IS NOW UNDER WAO. REF TO DANGER TO GATT TRADE NEGOTIATIONS IS UNWARRANTED WHEN, IN FACT, ARRANGEMENTS FOR STARTING NEGOTIATIONS ARE PROCEEDING ON SCHEDULE. ADVERSE IMPACT ON LDC INTERESTS ARE EXAGGERATED. REFERENCES TO MNC ACTIVITIES OVERDRAWN AND IGNORE POSITIVE CONTRIBUTION MNC'S HAVE MADE TO ECONOMIC DEVELOPMENT.

4. IF REFERENCE TO "WIDEST POSSIBLE PARTICIPATION" IN

RESOLUTION PARA C-1 IMPLIES WIDER PARTICIPATION IN CURRENT MONETARY REFORM NEGOTIATIONS, FOLLOWING COMMENTS APPLY:

(1) MONETARY REFORM WILL NECESSARILY INVOLVE CHANGES IN IMF PROCEDURES AND PROBABLY ARTICLES OF AGREEMENT; (2) ALL MEMBER NATIONS OF IMF ARE REPRESENTED IN C-20 NEGOTIATIONS; (3) NO NATIONS ARE EXCLUDED FROM IMF ON POLITICAL GROUNDS (E.G., ROMANIA IS NOW A MEMBER); (4) IT IS UNREASONABLE TO EXPECT COUNTRIES NOT PARTICIPATING IN EXISTING SYSTEM TO HAVE A VOICE IN REFORM OF THAT SYSTEM. IF REFERENCE SIMPLY URGES WIDER PARTICIPATION IN IMF SYSTEM ITSELF, WE WOULD NOTE THAT ALL COUNTRIES WILLING TO ABIDE BY IMF RULES ARE POTENTIAL ENTRANTS.

5. IN VIEW OF C-20 RESPONSIBILITY FOR MONETARY REFORM, IT WOULD BE INAPPROPRIATE TO SEEK TO FORCE PACE OF NEGOTIATIONS OR ESTABLISH ELEMENTS OF REFORMED SYSTEM IN ECOSOC FORUM. THIS APPLIES EQUALLY TO GATT TRADE NEGOTIATIONS.

6. IN ITS PRESENT FORM RESOLUTION IS UNACCEPTABLE, AND WE WOULD LIKE TO SEE ANY COMPROMISE TEXT BEFORE FINAL ACTION.

7. NOT COMMENTING ON ROWEN ARTICLE AT THIS TIME. ROGERS

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## Message Attributes

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**TAGS:** OCON, ECOSOC  
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